

QUESTIONNAIRE FOR FILING PROPOSED RULES WITH
THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Education
DIVISION Public School Finance
DIVISION DIRECTOR Patricia Martin
CONTACT PERSON Patricia Martin
ADDRESS #4 Capitol Mall, Rm. 105-C Little Rock, AR 72201
PHONE NO. 682-5124 FAX NO. 682-9035 E-MAIL pmartin@arkedu.k12.ar.us

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire & financial impact statement attached to the front of two (2) copies of your proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Subcommittee on Administrative Rules and Regulations
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

- 1. What is the short title of this rule? **Repeal of Regulations Governing the Distribution of General Facility Funding**
- 2. What is the subject of the proposed rule?
To repeal Regulations Governing the Distribution of General Facility Funding.
- 3. Is this rule required to comply with federal statute or regulations? Yes _____ No X
If yes, please provide the federal regulation and/or statute citation.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedures Act?
Yes _____ No X
If yes, what is the effective date of the emergency rule?

When does the emergency rule expire?

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes _____ No _____

5. Is this a new rule? Yes _____ No X If yes, please provide a brief summary explaining the regulation.
- Does this repeal an existing rule? Yes X No _____ If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.
- Is this an amendment to an existing rule? Yes _____ No X If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes. **NOTE: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**
6. Cite the state law grants the authority for this proposed rule. If codified, please give Arkansas Code citation. **Arkansas Code Annotated §§ 6-11-105 (Repl. 1993) and 6-20-301 et seq. (Supp. 1995).**
7. What is the purpose of this proposed rule? Why is it necessary? **To repeal Regulations Governing the Distribution of General Facility Funding.**
8. Will a public hearing be held on this proposed rule? Yes X No _____
If yes, please complete the following:
- Date: May 12, 2004**
Time: 1-4 PM
Place: ADE Auditorium, Little Rock, AR
9. When does the public comment period expire for permanent promulgation? (Must provide a date.)
May 13, 2004
10. What is the proposed effective date of this proposed rule? (Must provide a date.)
July 1, 2004
11. Do you expect this rule to be controversial? Yes _____ No X
If yes, please explain.
12. Please give the names of persons, groups, or organizations that you expect to comment on these rules. Please provide their position (for or against) if known.
- **Arkansas Association of Educational Administrators**
 - **Arkansas School Boards Association**
 - **Arkansas Association of School Business Officials**
 - **Arkansas Education Association**
 - **Arkansas Education Service Cooperatives**

SUMMARY

This rule is being repealed.

FINANCIAL IMPACT STATEMENT

DEPARTMENT Education
DIVISION Public School Finance
PERSON COMPLETING THIS STATEMENT Patricia Martin
TELEPHONE NO. 682-5124 FAX NO. 682-9035 EMAIL pmartin@arkedu.k12.ar.us

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE

Repeal of Regulations Governing the Distribution of General Facility Funding

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X _____
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation and explain how they are affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

DEPARTMENT OF EDUCATION
FISCAL IMPACT STATEMENT OF PROPOSED REGULATION
(In compliance with Acts 884 and 1253 of 1995)

Regulation Title: **Repeal of Regulations Governing the Distribution of General Facility Funding.**

Summary Description of Regulatory Proposal: **To repeal Regulations Governing the Distribution of General Facility Funding**

Cite Statutory Authority for this Regulatory Proposal:

- I. Fiscal Impact on the Department: (include whether impacts are non-recurring or recurring)
 - A. Resources Required - Personnel, equipment, office space.
 - B. Time Required for Implementation.
 - C. Procedural Changes.
 - D. Other.
- II. Fiscal Impact on Local School District or Others? (Include whether impacts are non-recurring or recurring)
 - A. Resources Required - Personnel, equipment, office space.
 - B. Time Required for Implementation.
 - C. Procedural Changes.
 - D. Other.
- III. Additional Comments.

Prepared by: Patricia Martin
Assistant Director, Public School Finance
April 9, 2004

Rules and Regulations Governing the Distribution of General Facility Funding

1.00 Regulatory Authority

~~1.01 These regulations shall be known as Arkansas Department of Education Regulations governing the distribution of General Facility Funding.~~

~~1.02 These regulations are enacted pursuant to the State Board of Education's authority under Arkansas Code Annotated 6-11-105 (Repl. 1993) and 6-20-301 et seq. (Supp. 1995).~~

2.00 Purpose

~~2.01 It is the purpose of these regulations to provide the calculation for distribution of General Facility Funding.~~

3.00 Definitions

~~3.01 Average Daily Membership (ADM) – The total number of days attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three quarters of the previous school year, divided by the number of school days actually taught in the school district during that period of time / rounded up to the nearest hundredth.~~

~~3.02 Base Local Revenue Per Student – The revenue per student to which the state equalizes calculated by taking the sum of the total available State aid for State Equalization Funding per student and ninety-eight (98%) of the base millage times the total state assessed valuation, and seventy-five percent (75%) of the average miscellaneous funds collected in the previous five (5) years or previous year whichever is less, divided by the total state ADM.~~

~~3.03 General Facility Funding – The amount of funds budgeted by the State Board in any specified year provided to qualifying school districts for the purchase of school buses, furniture, equipment, computer software or renovation or repairs of existing facilities.~~

~~3.04 General Facility Funding Factor – The amount of funding per Average Daily Membership (ADM) not to exceed a rate established by the State Board of Education.~~

~~3.05 Local Revenue Per Student – In each year, ninety-eight percent (98%) of the amount of revenue available, whether or not collected, in a local school district, solely from the levy of the uniform rate of tax, plus seventy-five percent (75%) of the average miscellaneous funds collected in the previous five (5) years or previous year 3.05 Local Revenue Per Student whichever is less divided by the average daily membership of such local school district for the previous year.~~

~~3.06 Miscellaneous Funds – Those funds received by a local school district from federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes, funds received by the district in lieu of taxes, and local sales and use tax dedicated to~~

~~education pursuant to § 26-74-201 et seq., § 26-74-301 et seq., § 26-75-301 et seq., and § 14-164-301 et seq..~~

~~3.07 Qualifying School Districts – The school districts having a Department of Education approved facilities needs assessment justification.~~

~~3.08 State Equalization Funding Per Student – The amount of state financial aid per ADM provided to each local school district calculated by subtracting the Local Revenue Per Student from the Base Local Revenue Per Student.~~

~~3.09 State Wealth Index – The result of one (1) minus the ratio of local revenue per student divided by state equalization funding per student.~~

4.00 Calculation

~~4.01 For districts qualifying for general facility funding, multiply the Average Daily Membership (ADM) times the product of the state wealth index and the general facility funding factor.~~

~~4.02 One calculation to determine the distribution of general facility funding shall be made each school year. No adjustments in general facility funding will be made during that specified year.~~

~~4.03 Local districts whose local revenue per student is above the state equalization funding per student shall not be eligible for general facilities funding.~~

5.00 Funds Carried Forward

~~5.01 Funds may be carried forward but shall remain restricted to purchases defined in Section 3.03.~~